

CHARTER REVIEW COMMISSION
Wednesday, December 10, 2008
6th Floor Conference Room
Council Office Building

Commission Members Present:

Nancy Soreng, Chair
Michael Cogan
Karen Czapanskiy
Wilbur Friedman
Mollie Habermeier
Robert Shoenberg
Judith Vandegriff
Anne Marie Vassallo
Charles Wolff

Staff:

Justina Ferber, County Council
Marc Hansen, County Attorney's Office
Marie Jean-Paul, County Council
Amanda Mihill, County Council
Glenn Orlin, County Council

Guests:

Jennifer Barrett, County Department of Finance
Mike Coveyou, County Department of Finance
Brady Goldsmith, County Office of
Management and Budget

Commission Members Absent:

Alice Gresham Bullock, Vice-Chair

Commission Chair Nancy Soreng began the meeting at 8:07 a.m.

I. Special Taxing Districts

Mollie Habermeier reviewed some hypothetical calculations that she had shared with the Commissioners in a memorandum dated December 7, 2008. Commissioners requested clarification of her calculations from Ms. Habermeier and also requested comment on them from Glenn Orlin, Deputy Council Staff Director. The Commissioners felt that they needed additional background in order to fully understand the impact on the tax rate for residential property tax payers if certain special taxing districts were excluded from the §305 limits.

Commissioners discussed that if the Commission makes a recommendation to exclude certain special taxing districts from the Charter §305 limit, there could be a potential for a one-time increase in the property tax rate the first year the special taxing district are exempted. Commissioners generally agreed that this potential one time increase should be addressed during the drafting of the language for any Commission recommendation.

The Commission heard from Jennifer Barrett, Director of the County's Department of Finance, who urged the Commission to provide the Department an opportunity to comment on the special taxing district proposal. Ms. Barrett suggested that once Commissioners have formed a recommendation on this issue, the Commission should work with the Department to ensure that the language of any recommended amendment reflects the intent of the Commission. Specifically, Ms. Barrett suggested that the Commission let the Department walk through the numbers to ensure that the Commission will get the result that it intended.

Ms. Soreng thanked the Department for attending the meeting and providing input. She reviewed the time table for the decision making process of the Commission and stated that they would not be making a final recommendation to the Council until they prepare their draft report in April of 2010. She requested that the Department address the Commission at the January 14 meeting and comment on the following issues raised:

- How should the special taxing districts intended to be excluded from the §305 limit be defined?
- The special taxing district sub-committee recommended that if the small geographic special taxing districts are excluded from the §305 language, the amount of funding that could be used for this purpose should be limited. The 2008 Charter Review Commission Report identified that the limitation could be stated in terms of either the county-wide *ad valorem* property tax collections or the total assessable land value of the County. The sub-committee recommended excluding revenues from special taxing districts up to an amount equivalent to 2-2.5% of real property tax collections from the §305 limit. In the Department's view, what should this limit be?
- How should these special taxing districts be created?
- How would the Department recommend addressing the potential impact on the tax rate during the first year that special taxing districts would be exempted from section 305?

II. Administrative Items

Commissioners suggested that Ms. Soreng send a letter to County Executive Leggett noting that the Commission has been without its 11th member for 9 months and urging the Executive to appoint a replacement, particularly since the Commission will begin studying new issues.

A. Approval of November 12 minutes

The Commission approved the November 12 minutes. Motion made by Wilbur Friedman and seconded by Anne Marie Vassallo.

In favor: Karen Czapanskiy, Wilbur Friedman, Mollie Habermeier, Robert Shoenberg, Nancy Soreng, Anne Marie Vassallo, Charles Wolff (7)

B. Discussion of future workplan

Commissioners discussed the future workplan of the Commission.

The Commission agreed to continue studying whether special taxing districts that cover a limited geographic area should be excluded from the limitation on property tax revenue growth. Motion made by Wilbur Friedman and seconded by Anne Marie Vassallo.

In favor: Michael Cogan, Karen Czapanskiy, Wilbur Friedman, Mollie Habermeier, Robert Shoenberg, Nancy Soreng, Judith Vandegriff, Anne Marie Vassallo, Charles Wolff (9)

Many Commissioners were concerned over the recent passage of a Charter amendment that increased from 7 to 9 the number of Councilmember votes needed to exceed the §305 property

tax revenue limit, which effectively limits property tax increases to the rate of growth plus inflation. Therefore, Commissioners agreed to study alternatives to tying the limit on property tax increases to something other than a simple majority Council vote. Motion made by Robert Shoenberg and seconded by Michael Cogan.

In favor: Michael Cogan, Karen Czapanskiy, Wilbur Friedman, Mollie Habermeier,
Robert Shoenberg, Judith Vandegriff (6)

Against: Anne Marie Vassallo (1)

Abstain: Nancy Soreng, Charles Wolff (2)

Commissioners generally agreed to further discuss the scope of this workplan issue at the January meeting.

The meeting was adjourned at 9:32 a.m.